



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

October 7, 2005

Mr. Keith J. Hamilton
President
Alaska Christian College
35109 Royal Place
Soldotna, AK 99669

Dear Mr. Hamilton:

The Department of Education (Department) has completed its review of the activities at Alaska Christian College (the College) that have been funded by two Congressional "earmark" grants under the Fund for the Improvement of Postsecondary Education (FIPSE), administered by the Department. As you know, a lawsuit was filed alleging that the grants violated the U.S. Constitution, and because of that lawsuit our review of this matter was coordinated with the Department of Justice.

In particular, the Department has reviewed the material you provided relating to the activities offered by the College and has conducted a site visit at your school. We have also reviewed applicable law, including the Establishment of Religion Clause of the First Amendment to the Constitution and the terms and conditions of the grants. In particular, the Department has evaluated the College's activities in light of 34 C.F.R. §75.52(c), which provides:

A private organization that engages in inherently religious activities, such as religious worship, instruction, or proselytization, must offer those services separately in time or location from any programs or services supported by a grant from the Department, and participation in any such religious activities by beneficiaries of the programs supported by the grant must be voluntary.

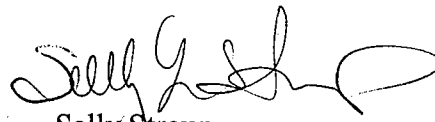
We have also assessed the College's compliance with 34 C.F.R. §75.532(a), which prohibits grantees from using grant funds for religious purposes.

Our review of the College's activities indicates that (1) the College does not have adequate safeguards to separate clearly in time or location inherently religious activities from the secular activities that could properly be supported by the federal funds, and (2) participation by students in the College's religious activities is not voluntary. Moreover, we have concluded that the College has used federal funds for religious purposes. Thus, we do not believe that the College's use of federal funds complies with applicable legal requirements.

The Department has further considered the material, including amended detailed budget narratives, that the College submitted to us in August 2005 as a means of attempting to demonstrate that grant funds could be deemed not to have been used, and would not be used in the future, for religious purposes. However, this material does not in fact establish that grant funds have not been and would not be used for religious purposes. From all of the information we have available, even with the revised budget narratives, the College achieves its purpose in carrying out its core program—to help prepare for college underprivileged students who have earned high school diplomas but who are not ready for college-level academic work—through inculcating religion. Its courses, all of which are part of its overall program, almost without exception contain significant religious content. There is no separation in time or place of religious instruction from non-religious activities. It is also not the case that the religious instruction is in any sense voluntary for individuals who attend the College. What the College describes as its secular activities constitute only a very small part of the College's overall program of religious instruction and worship, and the proposed reallocation of grant funds (to cover, for example, salaries for food service workers, groundskeepers, and resident advisors; room and board for students; and non-religious library books) would support activities that are incidental to, and serve to support, the school's core program of non-voluntary religious inculcation and instruction.

Accordingly, the Department is suspending the grants made to the College under grant identification numbers P116Z040131 and P116Z050102 for Fiscal Years 2004 and 2005. The suspension of these grants to the College will remain in effect unless and until the College presents a corrective action plan to the Department and the Department accepts the plan as providing adequate safeguards to ensure that federal funds will not be used to support inherently religious activities and will be used in a manner meeting other applicable requirements. If you have any questions, please contact David Johnson at 202-502-7516.

Sincerely,



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